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APPROPRIATION BILL (NO. 1) 1977–78 and
APPROPRIATION BILL (NO. 2) 1977–78

Date Introduced: 16 August 1977
House: House of Representatives
Presented by: Rt. Hon. P.R. Lynch, M.P.,
Treasurer

Short Digest of Bills

Purpose

Appropriation Bills (No's. 1 and 2) 1977–78 provide authority for the appropriation of \$8,066,055,000 and \$1,329,969,000 respectively from the Consolidated Revenue Fund.

Relationship with other Budgetary Legislation

The Second Reading Speech on Appropriation Bill No. 1 is the vehicle used by the Treasurer to introduce the main Budget. The Speech and attached statements (Budget Paper No. 1) deal with the totality of expenditures for the Commonwealth Government in the year under all forms of appropriations, and the sources of revenue. Expenditure under Appropriation Bills No's. 1 and 2 will represent about 35% of total Budget expenditure in 1977–78.

In accordance with section 81 of the Commonwealth of Australia Constitution Act all revenues or moneys raised or received are paid to the credit of the Consolidated Revenue Fund (CRF) and, in accordance with section 83, no money shall be drawn from the Treasury except under appropriation made by law.

Appropriation Bills No's. 1 and 2 are introduced at the time of the main Budget, normally August. They provide authority for expenditure on specified purposes up to specified amounts and, through the Advance to the Treasurer, for expenditure of up to an additional amount not limited to specified purposes. The authority lapses at 30 June.

Appropriation Bill No. 1 covers expenditure for the ordinary annual services of the Government, which the Senate does not have the power to amend. Appropriation Bill No. 2 covers expenditure on capital works and services, payments to or for the States and other services not authorised by special legislation.

The amounts that can be spent on individual departments and items are set out in schedules to these Bills in Budget Papers No's. 2 and 3.

Where the amount provided in Appropriation Acts No's. 1 and 2 is insufficient in a financial year, additional appropriation may be sought in further Appropriation Bills

*Appropriation Bill (No. 1) 1977–78 and Appropriation Bill (No. 2) 1977–78 (Bills Digest 80, 1977)
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Warning:

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(No's. 3 and 4). These are commonly known as the Additional Estimates and also lapse at 30 June.

In the period between 30 June and the time of the Budget when Appropriation Acts No's. 1 and 2 are passed, authority to spend is obtained from Supply Acts (No's. 1 and 2). These are normally passed a month or two before the beginning of the new financial year, and usually allow for not more than five month's expenditure. The amounts authorised in Supply Acts are later included in the Appropriation Acts No's. 1 and 2 of the financial year to which the expenditure relates.

In addition to the Appropriation Acts No's. 1 and 2, there are numerous other Acts that appropriate the CRF for the purposes specified in the Acts. These are known as special or standing appropriations and do not necessarily lapse at 30 June. They are listed in Budget Paper No. 4 "Estimates of Receipts and Summary of Estimated Expenditure", 1977-78, Table 7.

Receipts of the CRF are raised under such Acts as the Income Tax (Rates) Act, Sales Tax Act, Customs Tariff Act and Excise Tariff. The amounts raised under different items are listed in Budget Paper No. 4, Table 4.

Budget expenditure may also be made from the Loan Fund to which all borrowed moneys are credited. The Acts authorising expenditure from the Loan Fund are listed in Budget Paper No. 4, Table 9.

Budget Expenditures are also made from the Trust Fund not requiring annual appropriations. The moneys must first have passed through the CRF or Loan Fund. The inflows and outflows of money to each fund for various purposes are shown in the Auditor-General's Report, 1975-76, section 2.2.

2 September 1977

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